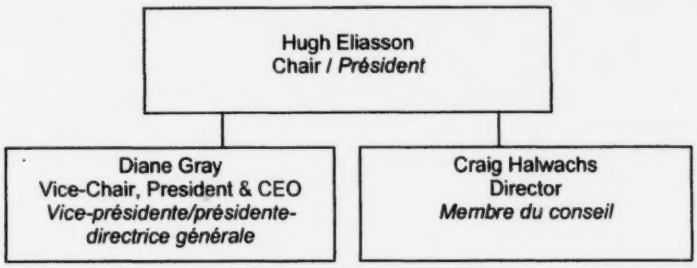
MANITOBA TRADE AND INVESTMENT CORPORATION
ANNUAL REPORT 2008/09

SOCIETE DU COMMERCE
ET DE L'INVESTISSEMENT DU MANITOBA
RAPPORT ANNUEL 2008/09

Board of Directors
Conseil d'administration



The Manitoba Trade and Investment Corporation (MTIC) is a provincial agency of Manitoba Competitiveness, Training and Trade. As an administrative mechanism, the Corporation supports the economic priority of building the Manitoba economy through increased exports and industry investment. The Corporation facilitates cost-sharing partnerships for specific projects and provides administrative support for missions by collecting revenues and paying related expenditures.

Canada-Manitoba Memorandum of Understanding for International Business Development - Economic development is a co-operative effort, and MTIC encourages and facilitates co-operation with other provincial, federal and civic economic development agencies. A key example is the high level of co-operation between the Province and the federal government arising from a Memorandum of Understanding (MOU) to promote international business development.

MTIC acts as the coordinator of the MOU on behalf of the partners. It provides a part-time Coordinator and manages the cost-sharing of MOU projects.

Exporter Development – International Trade Development concentrates on new exporter development and trade promotion for a two-fold purpose – to increase the number of Manitoba companies that are active exporters and to increase their market diversification. MTIC's role is to provide a project cost-sharing mechanism among Manitoba firms and government entities.

La Société du commerce et de l'investissement du Manitoba est un organisme provincial qui relève de la Compétitivité, Formation professionnelle et Commerce Manitoba. En tant que mécanisme administratif, la Société soutient la priorité économique d'agrandir l'économie du Manitoba par l'augmentation des exportations et des investissements dans les industries manitobaines. La Société facilite les partenariats financiers pour des projets précis et offre un soutien administratif pour les missions d'affaires par le recouvrement des recettes et du paiement des dépenses liées aux projets.

Protocole d'entente Canada-Manitoba concernant le développement du commerce international – Le développement économique étant véritablement un effort de co-opération, la Société du commerce et de l'investissement du Manitoba encourage et facilite la co-opération avec d'autres organismes provinciaux, fédéraux et municipaux de développement économique. À titre d'exemple, mentionnons le niveau élevé de co-opération entre la province et le gouvernement fédéral dans le cadre d'un protocole d'entente (PE) visant à promouvoir le développement commercial international.

La Société assure la coordination du PE, au nom des partenaires. Elle fournit un coordinateur à temps partiel et gère le partage des frais des projets du PE.

Développement des marchés d'exportation – Le développement du commerce international est axé sur le développement de nouveaux marchés d'exportation et la promotion du commerce afin d'augmenter le nombre d'entreprises manitobaines qui exportent activement et d'accroître la diversification de leurs marchés. Le rôle de la Société consiste à fournir un mécanisme de répartition des coûts des projets parmi les entreprises et les organismes gouvernementaux du Manitoba.

MINISTER OF COMPETITIVENESS,
TRAINING AND TRADE

Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I am pleased to present the Annual Report for Manitoba Trade and Investment Corporation for the fiscal year ending March 31, 2009.

Respectfully submitted,

Andrew Swan
Minister

MINISTER OF COMPETITIVENESS,
TRAINING AND TRADE

Winnipeg, Manitoba, CANADA
R3C 0V8

L'honorab.. Philip S. Lee, C.M., O.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant-gouverneur:

J'ai le plaisir de présenter à Votre Honneur le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice se terminant le 31 mars 2009.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Andrew Swan
Ministre

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

Minister of Competitiveness, Training and Trade
Room 358 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Minister:

It is our pleasure to submit the Annual Report of the Manitoba Trade and Investment Corporation for the fiscal year ended March 31, 2009, as required by Section 15 of the *Manitoba Trade and Investment Corporation Act*.

Respectfully submitted,

Hugh Eliasson
Chair

Diane Gray
President

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TRADE AND
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CORPORATION

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Ministre de la Compétitivité, de la Formation professionnelle et du Commerce
Manitoba
Palais législatif, bureau 358
Winnipeg (Manitoba) R3C 0V8

Monsieur le ministre:

Nous avons le plaisir de vous présenter le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice qui s'est terminé le 31 mars 2009, tel que le stipule l'article 15 de la *Loi sur la Société du commerce et de l'investissement du Manitoba*.

C'est avec respect, Monsieur le ministre, que nous vous soumettons ce document.

Le président,

Hugh Eliasson

La présidente,

Diane Gray

Manitoba Trade and Investment Corporation

Financial Statements

March 31, 2009

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

May 22, 2009

THE MANITOBA TRADE AND INVESTMENT CORPORATION
MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles.

To fulfil this responsibility, management maintains internal control systems to provide reasonable assurance that the accounts and records accurately reflect all transactions and that appropriate policies are established and respected.

The statements are examined by the Office of the Auditor General of Manitoba, whose opinion is included herein. The Auditor General has free access to the Board of Directors, with and without management present, to discuss the results of their audit and the quality of financial reporting to the Board.

Hugh Eliasson
Chair

Brian Johnston
Financial Officer

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of Manitoba Trade and Investment Corporation

We have audited the balance sheet of the Manitoba Trade and Investment Corporation as at March 31, 2009, and the statements of income, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Manitoba Trade and Investment Corporation as at March 31, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Winnipeg, Manitoba
May 22, 2009

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

MANITOBA TRADE AND INVESTMENT CORPORATION
BALANCE SHEET
MARCH 31, 2009
(With Comparative Figures for 2008)

ASSETS	2009	2008
Current Assets:		
Cash	$ 333,051	$ 337,790
Short-term investment (Note 3)	500,000	500,000
Accounts Receivable - Trade	17,035	2,731
Total Current Assets	850,086	840,521
TOTAL ASSETS	$ 850,086	$ 840,521
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$ 12,554	$ 17,516
Deferred Revenue (Note 7)	2,599	-
Operating Advances Payable (Note 4)	500,000	500,000
Total Current Liabilities	515,153	517,516
TOTAL LIABILITIES	515,153	517,516
RETAINED EARNINGS	334,933	323,005
TOTAL LIABILITIES AND RETAINED EARNINGS	$ 850,086	$ 840,521

See accompanying notes to financial statements.

Approved by:

_____ Chair of the Board

_____ Financial Officer

MANITOBA TRADE AND INVESTMENT CORPORATION
STATEMENT OF INCOME, COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2009
(With Comparative Figures for 2008)

	2009	2008
Revenue:		
Salaries and Benefits Recoveries (Note 5)	$ -	$ 276,657
Participation Fees - Province of Manitoba & Government Enterprises (Notes 2e and 6)	6,000	10,258
Participation Fees - Other (Note 2e)	137,539	75,128
Interest (Note 6)	12,250	20,612
Total Revenue	155,789	382,655
Expenses:		
Salaries and Benefits (Note 5)	-	276,657
Contract Fees	8,681	6,273
Program	127,378	68,919
Audit Fees	7,500	10,660
Legal Fees	302	69
Miscellaneous	-	115
Total Expenses	143,861	362,693
Net Income and Comprehensive Income for the Year	11,928	19,962
Retained Earnings, beginning of year	323,005	303,043
Retained Earnings, end of year	$ 334,933	$ 323,005

See accompanying notes to financial statements.

MANITOBA TRADE AND INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2009
(With Comparative Figures for 2008)

	2009	2008
Operating Activities:		
Net Income and Comprehensive Income for the year	$ 11,928	$ 19,962
Changes in non-cash working capital		
Accounts Receivable - Trade	(14,304)	4,114
Accounts Receivable - Province of Manitoba	-	24,947
Accounts Payable and Accrued Liabilities	(4,962)	(14,688)
Deferred Revenue	2,599	(16,850)
Net cash flow from operating activities	(4,739)	17,485
Net increase in cash for the year	(4,739)	17,485
Cash, beginning of year	337,790	320,305
Cash, end of year	$ 333,051	$ 337,790
Supplemental cash flow information		
Interest received	$ 12,250	$ 20,612

See accompanying notes to financial statements.

1. Nature of Operations and Economic Dependence

The Manitoba Trade and Investment Corporation (the Corporation) was formed by an Act of the Legislature in 1974. The objectives of the Corporation, as set out in the Act, are to:

- encourage, promote, develop and increase Manitoba exports and trade;
- promote investment in Manitoba; and
- promote international business opportunities for Manitoba businesses and assist Manitoba businesses in promoting those business opportunities.

The Corporation is economically dependent on the Province of Manitoba as all project deficits incurred by the Corporation are recovered from the Province.

2. Significant Accounting Policies

a. General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

b. New Accounting Policies

Effective April 1, 2008 the Corporation adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1535 Capital Disclosure
Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. These standards require an entity to disclose its objectives, policies and processes for managing capital, a summary of qualitative data about what it manages as capital and whether it complied with any externally imposed capital requirements to which it is subject and,if not, the consequences of such non-compliance. (Note 8)

Section 3862 Financial Instruments - Disclosure
Section 3862 modifies the disclosure requirements for financial instruments that were included in Section 3861, *Financial Instruments – Disclosure and Presentation.* The new standards require an entity to provide disclosures in its financial statements that enable users to evaluate the significance of financial instruments on its financial position and performance, the nature and extent of the risks to which it is exposed during the period and at the balance sheet date, and how those risks are managed.

Section 3863 Financial Instruments - Presentation
Section 3863 carries forward the presentation requirements of Section 3861, Financial Instruments – Disclosure and Presentation, unchanged.

The above noted new standards have no impact on the recognition, measurement or presentation of financial instruments in the Corporation's yearend financial statements.

c. Financial Instruments and Financial Risk Management

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of the Corporation are classified and measured as follows:

Financial Asset/Liability	Category	Subsequent Measurement
Cash	Held for trading	Fair value
Short-term investment	Held for trading	Fair value
Accounts receivable - Trade	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Operating advances payable	Other financial liabilities	Amortized cost

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of income, comprehensive income and retained earnings in the period the gain or loss occurs. Changes in fair value of financial instruments classified as held for trading are recognized in the statement of income, comprehensive income and retained earnings for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in the statement of other comprehensive income until realized, at which time they are recorded in the statement of income, comprehensive income and retained earnings.

Fair value of financial instruments

Due to the redeemable nature of cash, carrying value is considered to be fair value.

The fair values of short-term investment, accounts receivable – trade, accounts payable and accrued liabilities, and operating advances payable approximates their carrying values due to their short-term maturity.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	2009		2008	
Financial Asset/liability	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	$333,051	$333,051	$337,790	$337,790
Short-term investment	500,000	500,000	500,000	500,000
Accounts receivable – trade	17,035	17,035	2,731	2,731
Accounts payable and accrued liabilities	12,554	12,554	17,516	17,516
Operating advances payable	$500,000	$500,000	$500,000	$500,000

Financial risk management – overview

The Corporation has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
  - Interest risk; and
  - Foreign currency risk

The Corporation manages its exposure to risks associated with financial instruments that have the potential to affect its operating performance in accordance with its risk management framework.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Corporation to credit risk consist of cash and short-term investment and accounts receivable – trade.

The maximum exposure of the Corporation to credit risk at March 31, 2009 is:

Cash and short-term investment	$833,051
Accounts receivable – trade	17,035
	$850,086

Cash and short-term investment: the Corporation is not exposed to significant risk as the cash and short-term investment are held by the Minister of Finance.

Accounts receivable – trade: the Corporation is not exposed to significant credit risk as trade receivables are typically collected within 30 days. The Corporation does not establish an allowance for doubtful accounts as the potential for any receivable impairment is negligible.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation manages liquidity risk by maintaining adequate cash balances through cash management. Accounts payable and accrued liabilities are typically paid when due. In the case of the operating advances payable a matching short-term investment exists should a demand for repayment occur.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Corporation's income or the fair value of its financial instruments. The significant market risks the Corporation is exposed to are interest rate risk and foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to short term investments and operating advances payable.

The interest rate risk on the short-term investment is low because of its short-term nature.

The interest rate risk on operating advances payable is nil because it is non-interest bearing.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

d. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

e. Revenue Recognition

Participation fees are recognized as revenue in the same period that the shows, seminars and projects sponsored by the Corporation are actually held. Fees received in advance of event days are reflected as deferred revenue.

f. Contributed Services

During the year, the Province of Manitoba provided office space and other administrative services to the Corporation at nil cost. Because of the difficulty of estimating the fair value of such expenses, no contributed services are recognized in the financial statements.

3. Short-term Investment

Funds available for investment are invested with the Province of Manitoba. A term deposit for the principal amount of $500,000 will mature on March 31, 2010 with an interest rate of 0.55%.

4. Operating Advances Payable

The Corporation has $500,000 in non-interest bearing working capital advances from the Province of Manitoba. The advances are payable on demand.

5. Salaries / Benefits and related Recoveries

Up to January 18, 2008 the Corporation employed a number of staff, and recovered the associated salaries and benefits costs , from the Department of Competitiveness , Training and Trade. Effective January 19, 2008, all the Corporation's employees were transferred to the Department of Competitiveness, Training and Trade, and are no longer employees of the Corporation.

6. Related Party Transactions

The Corporation is related in terms of common ownership to all departments, Crown organizations and government enterprises created by the Province of Manitoba. The Corporation enters into transactions with these entities in the normal course of business. The Corporation records these transactions at the exchange amount, which is the amount, agreed upon by both parties.

During the year, the Corporation's transactions with related entities were as follows:

Participation Fees	$ 6,000
Interest Revenue	$12,250

7. Deferred Revenue

Deferred revenue represents fees received in advance of event days for specific trade projects. Changes in the deferred balance are as follows:

	2009 $	2008 $
Balance, beginning of year	-	16,850
Less amount recognized as revenue in the year	-	(16,850)
Add amounts received and deferred during the year	(2,599)	-
Balance, end of year	(2,599)	-

8. Capital Management

The Corporation's objective when managing capital is to maintain sufficient capital to cover its costs of operations. Capital consists of retained earnings in the amount of $334,933. (2008 - $323,005). The Corporation is not subject to any externally imposed capital requirements. There have been no changes in the Corporation's approach to capital management during the period.

9. Public Sector Compensation Disclosure

The Public Sector Compensation Disclosure Act requires disclosure of the aggregate compensation paid to the Corporation's Board members and of individual compensation paid to Board members or staff, where such compensation is $50,000 or more per year.

In 2008/09, there was no compensation paid to Board members. The Corporation no longer has employees as of January 19, 2008.

Manitoba Trade and Investment Corporation thanks our many friends and partners throughout Canada and the world for their help and encouragement in 2008/09. We look forward to continuing good relations in the coming year.

Nous remercions tous nos partenaires pour leur assistance et encouragement en 2008/09.